

EVENT VIOLATION
INSPECTOR'S STATEMENT
MINERALS REGULATORY PROGRAM

Company/Mine: Moss Rock Products/ Klingon Mine

CO # MC-01-15

Permit #: S/049/050

Violation # 1 of 1

60

SERIOUSNESS

1. What type of event is applicable to the regulation cited? Refer to the DOGM reference list of event below and remember that **the event is NOT the same as the violation**. Mark and explain each event.

- | | | |
|-------------------------------------|----|--|
| <input checked="" type="checkbox"/> | a. | Activity outside the approved permit area. |
| <input type="checkbox"/> | b. | Injury to the public (public safety). |
| <input type="checkbox"/> | c. | Damage to property. |
| <input checked="" type="checkbox"/> | d. | Conducting activities without appropriate approvals. |
| <input type="checkbox"/> | e. | Environmental harm. |
| <input type="checkbox"/> | f. | Water pollution. |
| <input type="checkbox"/> | g. | Loss of reclamation/revegetation potential. |
| <input type="checkbox"/> | h. | Reduced establishment, diverse and effective vegetative cover. |
| <input type="checkbox"/> | i. | No event occurred as a result of the violation. |
| <input type="checkbox"/> | j. | Other. |

Explanation: An inspection of the site on November 1, 2007 found that mining activity is occurring on this site. On April 30, 2007, the operator was notified that the SMO-NOI was complete, but that before operations began, a reclamation surety and contract must be submitted and approved. To date, the operator has not provided a reclamation surety for this site.

2. Has the event or damage occurred? Yes
If yes, describe it. If no, what would cause it to occur and what is the probability of the event(s) occurring? (None, Unlikely, Likely).

Explanation: Mining has occurred on about 1 acre of this SMO.

3. Did any damage occur as a result of the violation? Yes
4. If yes, describe the duration and extent of the damage or impact. How much damage may have occurred if the violation had not been discovered by a DOGM inspector? Describe this potential damage and whether or not it would extend off the disturbed and/or permit area.

Explanation: Mining related activity has disturbed about 1 acre. Since the NOI with the approved surety and contract make up the mining permit, this has occurred without or outside a permit area.

B. DEGREE OF FAULT (Check the statements which apply to the violation and discuss).

- ☐ Was the violation not the fault of the operator (due to vandalism or an act of God), explain. Remember that the permittee is considered responsible for the actions of all persons working on the mine site.

Explanation: _____

- ☐ Was the violation the result of not knowing about DOGM regulations, indifference to DOGM regulations or the result of lack of reasonable care.

Explanation: _____

- ☐ If the actual or potential environmental harm or harm to the public should have been evident to a careful operator, describe the situation and what, if anything, the operator did to correct it prior to being cited.

Explanation: _____

- ☐ Was the operator in violation of a specific permit condition?

Explanation: _____

- ☒ Has DOGM cited the violation in the past? If so, give the dates and the type of warning or enforcement action taken.

Explanation: NOV – 06-01-10 was issued to the Barney Mine (same land owner owns both mines and same miner mining on both properties) for not following the approved SMO. The Klingon Mine SMO was submitted as partial abatement of that NOV.

Was any economic benefit gained by the operator for failure to comply? yes
If yes explain.

Explanation: Operator has been conducting operations without first providing the appropriate reclamation surety for this project.

THE CO HAS NOT YET BEEN ABATED – GOOD FAITH CANNOT BE FULLY EVALUATED

GOOD FAITH

1. In order to receive good faith for compliance with an NOV or CO, the violation must have been abated before the abatement deadline. If you think this applies, describe how rapid compliance was achieved (give date) and describe the measures the operator took to comply as rapidly as possible.

Explanation: _____

2. Explain whether or not the operator had the necessary resources on site to achieve compliance.

Explanation: Operator probably has the necessary resources to post the reclamation surety for this project.

3. Was the submission of plans prior to physical activity required by this NOV / CO? No If yes, explain.

Explanation: _____

Lynn Kunzler
Authorized Representative


Signature

November 27, 2007
Date